

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY MAY 5, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 2612**

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**Introduced by Assembly Member Dababneh**

February 21, 2014

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An act to add Sections ~~14124.27, 14124.28, 14124.28~~ and 14129 to the Welfare and Institutions Code, relating to Medi-Cal.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2612, as amended, Dababneh. Medi-Cal: substance use disorder treatment.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing federal law prohibits federal financial participation for care or services provided to inmates of a public institution and care or services provided to patients in an institution for mental diseases. Existing law establishes the Drug Medi-Cal Treatment Program (Drug Medi-Cal) under which the department is authorized to enter into contracts with counties for various drug treatment services to Medi-Cal recipients, or is required to directly arrange for these services if a county elects not to do so.

~~This bill would also authorize the department to establish a 5-year pilot project with 6 counties to develop models for housing individuals with substance use disorders to provide substance use disorder treatment~~

~~to those individuals who do not fall within the institution for mental diseases exclusion. The bill would provide that these provisions shall only be implemented if and to the extent that federal financial participation is not jeopardized. The bill would also require the department to submit an application for a specified waiver or waiver amendment necessary to create a process by which federal financial participation may be claimed for stays of 120 days or less in an institution for mental diseases for beneficiaries with a substance use disorder diagnosis.~~

Existing law authorizes the department, subject to federal approval, to create a health home program for enrollees with chronic conditions, as prescribed.

This bill would require the department, in implementing that program, to request a waiver of federal law to authorize the state to claim federal financial participation for health home services provided to individuals, who are otherwise eligible under the health home program and who are state or county inmates in their last 30 days in custody, by a provider or team of providers, as specified, to ensure coordination of care and reduce gaps in care.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) The federal Patient Protection and Affordable Care Act, also
- 4 known as health care reform, is designed to ensure every American
- 5 has access to health care. Eligibility for the federal low-income
- 6 health insurance program, which is Medi-Cal in California, was
- 7 expanded to include childless adults earning less than 138 percent
- 8 of the federal poverty level.
- 9 (2) The cost of the Medi-Cal expansion will be fully paid by
- 10 the federal government until 2017, when the federal government
- 11 contribution will decline gradually to 90 percent, where it will
- 12 remain in 2020 and each year thereafter.
- 13 (3) According to research done by the National Health Law
- 14 Program, a large percentage of individuals in county jails, and
- 15 those being released, are uninsured and may be eligible for
- 16 Medi-Cal.

1 (4) According to a study published in the American Journal of  
2 Public Health, many individuals in county jails, and those being  
3 released, have untreated substance use disorders.

4 (5) In implementing health care reform, California expanded  
5 insurance benefits for substance use disorder treatment for new  
6 and existing Medi-Cal beneficiaries.

7 (6) Placement in residential programs can treat issues associated  
8 with substance use disorders and thereby reduce costs and  
9 recidivism associated with individuals in county jails.

10 (b) Therefore, it is the intent of the Legislature to encourage the  
11 use of appropriate residential substance use disorder treatment  
12 programs for individuals in the criminal justice system.

13 (c) It is further the intent of the Legislature, in order to increase  
14 access to primary care, mental health treatment, and substance use  
15 disorder treatment for individuals in the criminal justice system,  
16 that individuals who are otherwise eligible for Medi-Cal and who  
17 are not inmates of a public institution shall be eligible for Medi-Cal  
18 benefits. This includes, but is not limited to, individuals in formal  
19 or informal diversion or deferred entry of judgment programs;  
20 individuals on probation, as defined in Section 1203 of the Penal  
21 Code; individuals on parole, as described in Section 3000 of the  
22 Penal Code; individuals on postrelease community supervision,  
23 as described in Section 3451 of the Penal Code; and individuals  
24 on mandatory supervision as defined in clause (ii) of subparagraph  
25 (B) of paragraph (5) of subdivision (h) of Section 1170 of the Penal  
26 Code.

27 ~~SEC. 2. Section 14124.27 is added to the Welfare and~~  
28 ~~Institutions Code, immediately following Section 14124.26, to~~  
29 ~~read:~~

30 ~~14124.27. (a) The department may establish a five-year pilot~~  
31 ~~program with six counties, which shall include three urban counties~~  
32 ~~and three rural counties, to develop models for housing individuals~~  
33 ~~with substance use disorders to provide substance use disorder~~  
34 ~~treatment to those individuals who do not fall within the institution~~  
35 ~~for mental diseases exclusion in federal law, thereby maximizing~~  
36 ~~federal financial participation.~~

37 ~~(b) This section shall not create a state-only funded benefit or~~  
38 ~~program. The department shall implement this section only if and~~  
39 ~~to the extent that federal financial participation is not jeopardized.~~

1     ~~SEC. 3.~~

2     *SEC. 2.* Section 14124.28 is added to the Welfare and  
3 Institutions Code, to read:

4     14124.28. The department shall submit an application for any  
5 Section 1115 waiver or waiver amendment necessary to create a  
6 process by which federal financial participation may be claimed  
7 for stays of 120 days or less in an institution for mental diseases,  
8 as defined in Section 1396d(i) of Title 42 of the United States  
9 Code, for beneficiaries with a substance use disorder diagnosis for  
10 purposes of treating the individual's diagnosed substance use  
11 disorder.

12     ~~SEC. 4.~~

13     *SEC. 3.* Section 14129 is added to the Welfare and Institutions  
14 Code, immediately following Section 14128, to read:

15     14129. The department shall, in implementing this article,  
16 request a waiver of federal law to authorize the state to claim  
17 federal financial participation for health home services provided  
18 to individuals, who are otherwise eligible to receive health home  
19 services under this article and who are state or county inmates in  
20 their last 30 days in custody, by a provider or team of providers,  
21 as described in subdivision (c) of Section 14127, to ensure  
22 coordination of care and reduce gaps in care. Prerelease health  
23 home services shall be limited to services described in Section  
24 14127.2 and shall not include health care services.